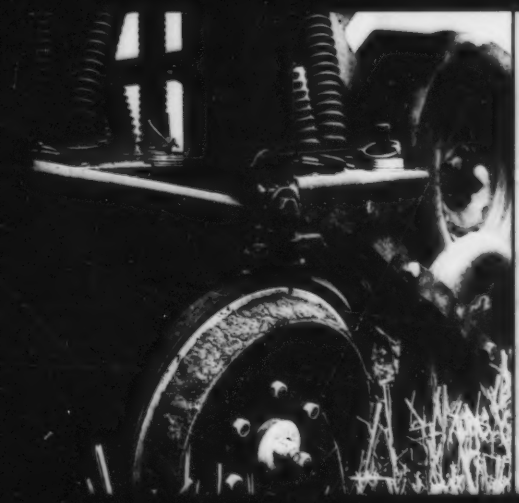

AGRICULTURE AND FOOD | 1999/00 ANNUAL REPORT

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September 2000

The Honourable Garde B. Gardom
Lieutenant-Governor
Province of British Columbia

May it please your Honour,

I respectfully submit the *Agriculture and Food Annual Report* for the Ministry of Agriculture, Food and Fisheries of the Province of British Columbia for the fiscal year ending March 31, 2000.

Sincerely,

Honourable Corky Evans
MINISTER OF AGRICULTURE, FOOD AND FISHERIES AND
MINISTER RESPONSIBLE FOR RURAL DEVELOPMENT

In March 2000, the Ministry of Agriculture and Food and the Ministry of Fisheries were brought under the responsibility of one minister. Although the two organizations remain administratively separate, the new umbrella is the Ministry of Agriculture, Food and Fisheries. This *Annual Report* articulates the 1999/00 priorities and activities for Agriculture and Food only. BC Fisheries' annual report information is published separately.

To obtain a copy of the Ministry of Agriculture, Food and Fisheries' *Agriculture and Food 1999/00 Annual Report*, please contact:

Ministry of Agriculture, Food and Fisheries
808 Douglas Street
P.O. Box 9120, Stn. Prov. Gov't.
Victoria, B.C. V8W 9B4
Phone (250) 387-5121
Fax 356-1678

The report is also accessible on the ministry's Internet site: **www.agf.gov.bc.ca**

To obtain a copy of the *BC Fisheries 1999/00 Annual Report*, please contact:

Ministry of Agriculture, Food and Fisheries
BC Fisheries
808 Douglas Street
P.O. Box 9120, Stn. Prov. Gov't.
Victoria, B.C. V8W 9B4
Phone (250) 356-5126
Fax (250) 356-5160

That report is also accessible on the BC Fisheries' Internet site: **www.gov.bc.ca/fish**

September 2000

The Honourable Corky Evans
Minister of Agriculture, Food and Fisheries
and Minister Responsible for Rural Development
Parliament Buildings
Victoria, British Columbia

Sir,

I have the honour to submit the *Agriculture and Food Annual Report* for the Ministry of Agriculture, Food and Fisheries for the fiscal year ended March 31, 2000.

M. M. Arthur

Margaret Arthur
DEPUTY MINISTER
AGRICULTURE AND FOOD

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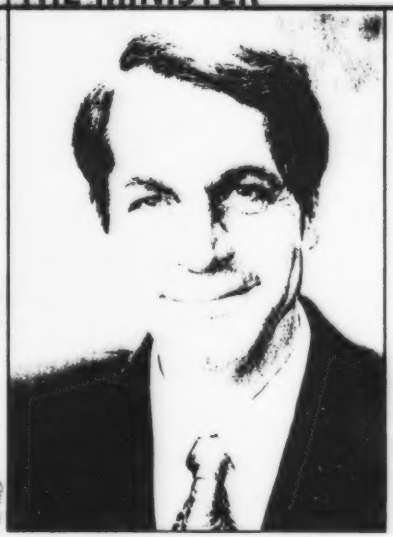
MESSAGE FROM THE MINISTER



The number one agri-food objective in B.C., for both industry and government, is to make the absolute best use of our resources. To ensure that agri-food enterprises continue working and growing in the 21st century – in the face of destructive weather, restless global markets, an increasingly urban environment, and public fiscal restraint – we must cooperate, act strategically, and make productive use of every asset we have.

The good news is that every farmer, fisher, rancher, vegetable and fruit picker, packer, trucker, warehouse worker, market owner and grocer already knows that.

We are making farming pay in B.C. by doing agri-food business a new way, based on industry self-reliance, product and market diversification, the highest-quality goods, and environmentally conscious practices. Our intention to "farm the marketplace" means adapting to rapidly and constantly changing economic circumstances and discerning consumer tastes. Organic crops, "health-giving" nutraceuticals, and agroforestry are on the rise. VQA (Vintner's Quality Alliance) wines, B.C. Hot House vegetables, greenhouse flowers, and top-grade livestock are leading the way.

In 1999/00, Agriculture and Food accomplished a great deal. Negotiation of a new federal/provincial safety net agreement brings $8 million more each year to B.C. farmers. It also frees up ministry resources to support diversification, development and investment initiatives. The Partnership Committee on Agriculture and Environment and the provincial Agriculture-Wildlife Advisory Committee are bringing effective consultation and problem solving to the complex balance of agriculture, environmental health, and wild animal populations. More local farm bylaws and changes to tree fruit, crop and Whole Farm Insurance schemes respond to what we have heard from industry and rural communities – that we must do more with less.

The way to do that is to capitalize on our strengths and to bring people, strategies and resources together in

the most dynamic way possible. This pragmatic approach was behind the government's decision in March 2000 to add the Rural Development portfolio to this ministry.

That new office gives rural British Columbians a voice at the highest levels of government. Rural development activities will focus on putting together working partnerships, cross-government solutions, and community access to all available resources. In step with other forward-looking jurisdictions in Canada and around the world, we are concentrating our energy on building from the community outward, rather than by corporate or government decree downward. It is also a natural evolution for agriculture, in which future success will be founded on diversification and community control over decision making.

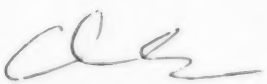
Agriculture continues to be a singular economic driver in this province, leading resource industries in growth and job creation rates. Last year, our partners and clients in industry, production, processing and retail together achieved the highest net cash income for B.C. agriculture *ever* in the history of the province – up 24 per cent, or $87 million, over the year before, and 53 per cent above the 1994-to-1998 average.

That kind of productivity is hard to ignore. Still, we are not likely to see it on the evening news or read about it on the front page of our daily paper. We must tell the story. This ministry and the quarter of a million people who work every day to bring high-quality food and beverages to all British Columbians are a necessary part of life in this province. There *is* a rural economy. It *is* growing.

In line with overall government priorities of healthy communities and good, stable jobs for British Columbians, we continue our efforts to help communities achieve economic self-reliance, environmental sustainability, and meaningful, locally driven decision making. Specifically, we remain committed to our strategic objectives of industry development and resource management, to successfully reach the goals and objectives articulated in our *1999/00 Strategic and Business Plan*. These, in turn, continue to be measured against issues brought to the attention of the Select Standing Committee on Agriculture and Fisheries during its public consultations between 1998 and 2000.

All British Columbians, including those in rural communities, deserve access to the opportunities, options and support that enable them to determine their own future. Especially in a world as technologically and economically complex as the one we live in, there are compelling reasons to keep farming. It is my belief that not to do so would be the gravest error of all – not only culturally injurious, but economically short-sighted.

This *Annual Report* is a record of Agriculture and Food's actions and achievements in 1999/00. It is an accountability document published to meet legislative requirements, but it also a useful source of information for legislators and the public. With this document, and others, we will continue to report to you on our progress.



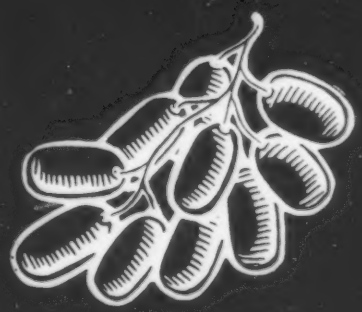
Honourable Corky Evans
MINISTER OF AGRICULTURE, FOOD AND FISHERIES AND
MINISTER RESPONSIBLE FOR RURAL DEVELOPMENT

FAST FACTS

B.C. FOOD & BEVERAGE PROCESSING	1998	1999
Processors	1,015	1,037
Value of shipments ($billions)	$4.3	$4.3
Direct employment	25,400	21,700

B.C. FOOD & BEVERAGE EXPORTS ($MILLIONS)	1998	1999
Primary and processed agriculture	1,035	1,038
Beverages	87	121
International exports*	1,122	1,159
Interprovincial exports**	1,281	***
TOTAL	$3,525	n/a

*Excluding fish
**Excluding non-processed fish
***Statistics Canada information unavailable until fall 2000



CORPORATE OVERVIEW

INDUSTRY PROFILE

The present-day Ministry of Agriculture, Food and Fisheries was originally created by the *Department of Agriculture Act* of 1894, which makes it one of B.C.'s longest-serving ministries. The Agriculture and Food functions and the sectors they represent have changed significantly over the last century: the agri-food industry in B.C. now generates more than $17 billion each year and employs one in seven British Columbians, or some 250,000 people.

In 1999/00, 333 Agriculture and Food staff worked in 17 offices around the province. Expenditures totalled $56.5 million.

MISSION STATEMENT

To foster the socioeconomic viability and sustainability of the agriculture and food sectors throughout British Columbia.

Agriculture and Food is committed to the following values in pursuit of this mission:

- planning and delivering government services in a cost-effective and publicly accountable manner,
- providing responsive, courteous and professional service of high quality to clients, and
- building and maintaining among ministry personnel an effective spirit of teamwork and cooperation based on trust, integrity, flexibility, innovation and social equity, and equality of opportunity (i.e., regardless of gender, beliefs or race).

INDUSTRY PRIORITIES

During 1999/00, Agriculture and Food continued its efforts to help the agri-food industry develop self-sufficiency for the long term. Agriculture and Food work focused on two strategic objectives:

- **industry development** to support value-added initiatives, competitiveness, investment and job creation, and
- **resource management** to support management and stewardship programs to maintain and protect land and water resources for agriculture and food.

Annual plans by the divisions and branches supported and further defined program-level activities within these objectives. Work priorities and core business for the year were articulated in the *1999/00 Strategic and Business Plan*. Those priorities are summarized as follows:

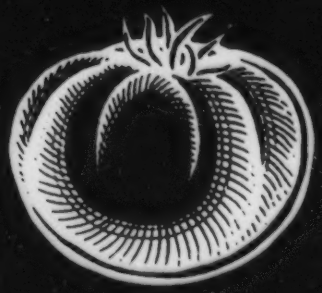
Industry Development

- Risk Management: Re-engineer and evaluate present programs, negotiate new federal/provincial safety net agreements, and address other long-term issues, such as wildlife management and conflict resolution, and emergency preparedness.
- Investment and Diversification: Develop viable business options for increasing investment and diversification, such as extending the tree fruit replant program and launching the Vancouver Island Farmers Alliance.
- Industry Self-Reliance: Respond to the industry's need for stable funding for farm organizations.
- Labour Conditions: Support efforts to review agriculture workforce issues.
- Market and Skills Development: Build on new opportunities to expand markets and obtain or improve skills such as direct farm marketing, and continue to provide support for 4-H (the Youth Development Program) and the Agriculture in the Classroom Foundation.
- Regulatory Reform: Concentrate on evaluating and refining policies that guide the ongoing operations of the existing regulated marketing system and new agricultural labour regulations.

- Food-Processing Sector: Coordinate the implementation of new food quality and food safety legislation, continue analyses and consultations on issues that limit agri-food investment, resolve barriers to growth, and identify opportunities to improve agri-food business information and vertical relationships in the food chain.
- Buy BC: Revitalize and regionalize the program components.
- Support for Emerging Industries: Identify potential opportunities and growth sectors, such as nutraceuticals, organics and agroforestry.
- Policy Development: Negotiate a larger allocation of federal safety net expenditures for B.C., evaluate and track federal funding programs, support the work of the Select Standing Committee on Agriculture and Fisheries, contribute to the development of Canada's World Trade Organization negotiating position, carry out ongoing policy analysis, develop a framework for an aboriginal agri-food policy, participate in the government-wide Business Task Force streamlining initiative, and support ministry planning, program evaluation and effectiveness reporting.

Resource Management

- Access to Land and Water: Develop riparian management guidelines, in consultation with industry and environmental agencies.
- Regulatory Reform and Policy Development: Work to intensify and expand productivity within the Agricultural Land Reserve, address issues over agricultural access to land and water, monitor ongoing issues that have broad agricultural impact (e.g., multiple resource use, climate change, and international agreements), and support industry, interagency and ministry-wide information bases, information access and resource planning.



THE YEAR IN AGRICULTURE AND FOOD 1999/00

British Columbia's economic development strategies, like those of other Canadian and international jurisdictions, increasingly focus on building vibrant, diversified, self-sufficient communities. This is especially true in rural areas of B.C., where traditional resource industries may be undergoing major transition, and communities are looking for viable job creation and economic growth opportunities. Agriculture is at the centre of that movement.

During 1999/00, Agriculture and Food worked in a variety of innovative ways with its partners in industry and among First Nations and rural communities. Its priorities were to increase community involvement in resource decision making and control, and to pursue policy, regulatory and program changes that help build industry self-reliance.

Certain fundamental program elements therefore remain at the core of ministry efforts to meet strategic goals and objectives. Those elements include effective risk management and resource protection, removing barriers and restraints to growth and investment, and expanding awareness of the value of B.C.'s agri-food sector. Agriculture and Food worked throughout 1999/00 to continue building on a resurgent provincial economy, by connecting people and communities with the resources they need to achieve meaningful marketplace results.

The Agricultural Safety Net: A Necessary Backstop

The agri-food sector has distinct needs, to which the ministry continues to respond. Foremost among those is the need to deliver effective risk management programs, with input from farmers. The ministry continues to respond to unforeseeable weather and market disasters, and to help the sector identify and develop new agri-food opportunities, emerging commodities and changing market realities.

The existing federal/provincial agricultural safety net agreement expired on March 31, 2000. That agreement provided cost-shared program funding in British Columbia for income stabilization, disaster assistance and industry development. The minister and ministry staff were actively involved in the negotiations over three years which led, in March 2000, to a new federal/provincial funding allocation formula. The result, for B.C., is an $8 million increase in the province's share of federal funding, to more accurately reflect B.C.'s agri-food output on a national scale. The new, three-year agreement that is now being finalized will continue to

support income stabilization, disaster assistance and development programming in British Columbia. It will also include new initiatives to address key environmental issues.

The Whole Farm Insurance Program, which was launched as a two-year pilot program in 1997, was extended for another year to cover the 1999 crop. The provincial contribution was $6.8 million. (In B.C., this program also encompasses the federal Agricultural Income Disaster Assistance program.) Under the Whole Farm Insurance Program, $16 million was paid out against disasters in the tree fruit, hog and grain sectors during 1999/00. Adjustments for 1999 further streamlined the process and allowed more farmers to take advantage of the program.

The tree fruit sector was hard hit during 1999/00 by weather problems and an extended market decline. On top of that, the tree fruit replant program was scheduled to terminate in 2000. An assessment of the program indicated that it has been highly effective, but needed to support replanting of another 2,000 hectares to put the industry on a sound footing. In response, the ministry funded a process that brought together local growers, processors, industry leaders, local governments, and others in the community to review the program and explore ideas to generate long-term viability for the sector. Based on the resulting revitalization strategy, $25 million in provincial assistance was approved and will be used to extend the replant program for five years. A further $2 million will be used to establish a new industry development trust fund. The Okanagan Tree Fruit Authority continues to manage the program, which has benefited more than 800 growers.

Crop insurance participation rates increased again in 1999/00. The percentage of eligible producers using this program has risen from 22 per cent in 1996 to 70 per cent this year. Premiums were reduced for two years, by industry request, and eligibility for hail spot-loss coverage was extended to all forage crops. Finally, work continued on re-engineering crop insurance for the vegetable sector.

Resources: Ensuring Best Use and Reducing Conflicts

Land is agriculture's most critical asset, and it continues to be available, in great part, due to the province's land reserve system. In February 2000, the minister announced that the Agricultural Land Commission and the Forest Land Commission would be combined as of April 1. This streamlining initiative is designed to introduce efficiencies and ensure consistency of vision and intent. Most importantly, it will help maintain a vital land base for farming and forestry. While the two land reserve systems and their respective legislation will remain separate, the new British Columbia Land Reserve Commission will work with landowners and municipal and regional governments to make the best possible land-use decisions, based on the goals set out in the legislation.

Forest ingrowth and encroachment have eaten up more than 400,000 hectares of grazing resources in B.C., which are critical to both livestock and wildlife. A joint effort among industry, government, and wildlife, environmental and community groups is underway to reverse the trend that is depleting critical grassland and open forests in the East Kootenay region and creating competition for forage. The Ministry of Agriculture, Food and Fisheries, the Ministry of Forests, and the Ministry of Environment, Lands and Parks are all contributing $50,000 (i.e., a total of $150,000 in new funding), to help restore open forest grasslands in areas

where forest ingrowth has occurred. This work will benefit wildlife and livestock interests by easing competition for forage. It will also help the forest industry and local communities by reducing the risk of wildfire and improving overall forest health.

Industry: Building Self-Reliance

Throughout 1999/00, Agriculture and Food continued to cut red tape for the agri-food industry. It also continued to support and promote industry-led strategies, partnerships and joint projects, and to make policy and regulatory changes that responded to industry, environmental and consumer needs.

Changes were made this year to provincial employment standards regulations that simplify payroll calculations and make it easier to monitor compliance with employment standards in agriculture. These changes reflect the reality of agriculture production. They also reduce the regulatory administrative burden for both agricultural workers and businesses.

Food safety legislation was modernized and consolidated during 1999/00. Under the new *Food Safety Act*, the food industry has more flexibility in how it meets food safety standards. The government continues to be responsible for setting and enforcing standards that ensure the highest safety standards for B.C. agri-food products.

The province's second new farm bylaw was approved in December 1999. The City of Abbotsford bylaw balances environmental safeguards, public concerns for residential air and water quality, and agriculture industry realities. Modelled on a bylaw successfully enacted by the Township of Langley, the Abbotsford bylaw is designed to resolve and prevent conflicts between mushroom producers and the community.

Capitalizing on regional strengths is an ongoing business focus for the agri-food industry and government. Adding the new Rural Development portfolio to the ministry acknowledges that agriculture is the primary business vehicle for driving growth in the rural resource economy. During 1999/00, Vancouver Island growers and

producers united to form the Island Farmers Alliance, with a mission to ensure the sustainability and growth of Island agriculture. A $50,000 grant from the ministry helped the alliance identify challenges, look for viable solutions, build membership and raise the profile of Vancouver Island agri-food products. Another initiative that advanced regional identification was the "Fresh from the Cariboo" banner unveiled at the Cariboo Economic Action Forum in September 1999. This banner, along with other marketing tools, will help consumers in the region identify locally grown products.

The Food Industry Market Development Program, known as Buy BC, received an extra $1 million in the 1999/00 provincial budget. Nearly 1,200 companies used the Buy BC logo in 1999, while BC Sharing, which supports food banks throughout the province, raised more than $1.6 million for the purchase of B.C. food products. Joint Buy BC partnership projects directed nearly $1.2 million – including $750,000 contributed by industry – to promotional and marketing activities to expand consumer awareness and boost competitiveness for products grown and processed in B.C.

The Ministry: Maximizing Resources, Meeting Goals

Agriculture and Food succeeded again this year in further refining the efficiency of its daily operations. The organization collectively found ways, within its budgeted resources, to meet the priorities and achieve the goals set out in its *1999/00 Strategic and Business Plan*. This *Annual Report* is a summary of those accomplishments.

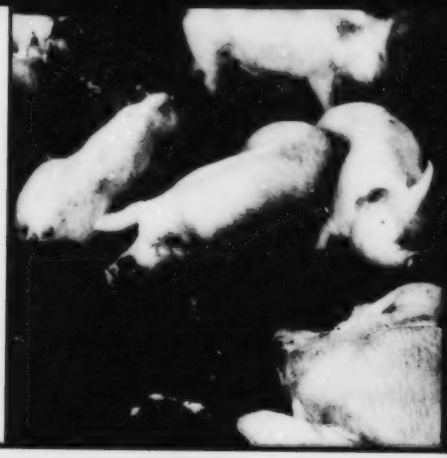
FAST FACTS

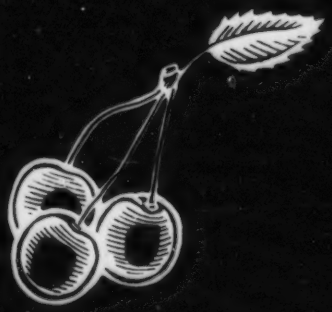
VALUE OF B.C. FOOD SALES ($BILLIONS)	1998	1999
Food consumed at home	$8.8	*
Food away from home	5.9	*
International exports**	1.9	2.0
Interprovincial exports	1.3	*
TOTAL	$17.9	n/a

*Statistics Canada information unavailable until fall 2000
**Excluding fish

B.C. AGRI-FOOD CHAIN	1998	1999
Investment ($millions)*	$672	$698
Value of food sales ($billions)	$17.9	**
Employment	250,700	**

*Excluding fish
**Statistics Canada information unavailable until fall 2000





ACCOMPLISHMENTS

The British Columbia agri-food industry is the province's third largest primary industry; only forestry and mining are bigger. Agriculture alone, however, has created jobs at the same pace as population growth for the past 20 years.

Industry development is central to the ministry's commitment to continue moving the agri-food industry toward self-sustaining viability in all regions of the province. Industry development strategies naturally vary by sector, but the following highlights summarize Agriculture and Food's 1999/00 accomplishments in industry development.

AGRICULTURE

The Agriculture Division is structured to effectively respond to and work with the diversity of British Columbia's agriculture industry, and to recognize the unique nature and types of client needs. At the provincial level, the Agricultural Risk Management, Animal Health, Animal Industry, Plant Industry, and Resource Management branches deal with industry resource development and management, and with regulatory and financial programs. South Coastal, Southern Interior and North Central district offices deliver ministry programs and services in farm communities throughout the province.

Agriculture and Food's key strategic clients are farmers, ranchers and industry associations – and the wide range of groups and interests with which those associations interact. The Agriculture Division also works with regulatory agencies, local governments, the industry support infrastructure, suppliers, educational institutions, processors, distributors and the public.

Agriculture industry development initiatives during 1999/00 concentrated on:

- risk management,
- investment and diversification,
- industry self-reliance,
- market and skills development,
- regulatory reform (including labour conditions), and
- support for emerging industries.

Risk Management

Risk management initiatives help producers in several important ways. They minimize producers' exposure to financial losses from weather hazards and market deviations, prevent the transmission of animal and plant diseases, and maximize the quality and safety of B.C.'s animal and crop products. These programs also help

build an increasingly self-reliant agri-food industry and foster a higher level of risk management among B.C. farmers and producers.

- Financial risk management includes crop insurance, the Whole Farm Insurance Program, the Net Income Stabilization Account, and related programs. Program costs are shared with the federal government under a federal/provincial agricultural safety net agreement. The existing agreement, which expired on March 31, 2000, was not considered effective in serving the interests of B.C. farmers. Although B.C. accounts for more than 5 per cent of the national agriculture industry, the province was receiving less than 3 per cent of the total federal government funding allocation.

In March 2000, provincial agriculture ministers agreed to a new federal funding allocation formula. The result, for British Columbia, is an increase of at least $8 million in the province's annual share of federal funding. The new multi-year agreement is in the final stages of development.

- The B.C. Whole Farm Insurance Program provides income support to farmers when, for reasons beyond their control, there is an extreme reduction in their net farm income. The national income disaster program – Agriculture Income Disaster Assistance – was modelled on the Whole Farm Insurance Program. (Whole Farm is now the delivery agent for Agriculture Income Disaster Assistance in the province.) B.C. farmers were the first in Canada to receive payments under this new federal program.

The Whole Farm Insurance Program, which bases claims on income tax returns, has been criticized for being overly complex. During 1999/00, to address farmers' concerns and make the program easier to understand, changes were made to eliminate cross-compliance with the crop insurance program, and to refund the $100 claim fee for farmers who did not receive funds in 1998. Also, by modifying the way accrual adjustments were made for tree fruit crops, an additional $2 million was paid out to the tree fruit sector. The division held training sessions for more than 600 producers at 21 workshops throughout the province. Four technical workshops were also held for nearly 100 accountants and bankers.

In the 1998/99 crop year, there were serious problems in the tree fruit, grain and hog sectors, resulting from bad weather in 1997, poor markets in 1998, and an ongoing decline in grain prices. In 1999, the Whole Farm Insurance Program paid out 714 claims for a total of more than $16.8 million.

- The Whole Farm Insurance Program is designed to be a safety net of "last resort" that complements but does not overlap with crop insurance and the Net Income Stabilization Account. For a variety of reasons, some crops are not covered under crop insurance, and some sectors are not eligible for coverage under the Net Income Stabilization Account. In those cases, there is a need for an expanded version of the Whole Farm Insurance Program. To address this, B.C. and the federal government have together investigated a premium-based net income insurance pilot program – referred to as "negative margin insurance." Preliminary research on program design and delivery and an evaluation process were completed in 1999/00. The federal government continues its research on premium rates.

1998

Berries	$18,973,647	$978,383	$7,223	70%
Forage	12,916,593	1,296,425	277,723	27%
Grain	18,832,423	2,175,457	337,999	73%
Grapes	8,423,381	272,138	2,040	84%
Tree Fruits	120,499,791	6,036,855	739,218	95%
Vegetables	6,814,706	292,680	350,215	37%
TOTAL	**$186,460,541***	**$11,051,938**	**$1,714,418**	**59%***

*59% of the production from crops eligible for crop insurance had some level of insurance in 1998.

1999

Berries	$25,371,789	$1,231,792	$45,103	84%
Forage	19,167,245	1,722,310	598,821	39%
Grain	34,036,094	2,975,083	79,979	81%
Grapes	13,157,595	436,299	817	99%
Tree Fruits	130,909,031	6,546,189	4,312,986	95%
Vegetables	8,169,019	369,273	20,224	48%
TOTAL	**$230,810,773***	**$13,280,946**	**$5,057,930**	**70%***

*70% of the production from crops eligible for crop insurance had some level of insurance in 1999.

- In 1997, the crop insurance program was reviewed by an independent consulting firm to determine why participation rates were below optimum levels. Based on the review recommendations, a number of program changes were implemented. For 1999, participation levels increased dramatically in most sectors over 1998 (see tables on previous page).

- Vegetable sector participation in crop insurance has historically been low, and the number of insurable vegetable crops limited. This has been attributed to the many varieties involved, and to the wide range of planting and harvesting periods. The Agriculture Division worked during this year with the sector to create a new approach to insurance specifically for vegetable crops. As a result, three new crop insurance pilot programs – for lettuce, broccoli and potatoes – will be offered in spring 2000.

- B.C. agriculture producers frequently suffer economic losses from crop damage by wildlife and birds. The province has never been able to offer a wildlife damage mitigation or compensation program, although industry has requested it for many years. During 1999/00, the division established a Provincial Agriculture-Wildlife Advisory Committee. It brings together industry leaders and government to address wildlife management and conflict issues.

- The tree fruit replant program has operated for 10 years and was scheduled to end in 2000. A review indicated that the program has been highly effective, but more replanting is needed to deliver the volumes needed to sustain the industry over the long term. (More than 2,000 hectares of orchard have been replanted, and another 2,000 hectares need replanting.) The division consulted with the industry and external stakeholders, which resulted in a five-year, $25 million extension to the program and the establishment of a $2 million industry development trust fund.

- An unusually large snowpack in the winter of 1999 put agriculture at significant risk of a major flood. To prepare for that possibility, the division worked with producers and various levels of government and agri-business in the Fraser Valley on plans that included emergency livestock feeding, evacuation, relocation and waste disposal. The division also completed extensive training to prepare for emergency responsibilities.

- Livestock farming is a capital-intensive business that brings substantial financial and other risks for producers. The division therefore continued its work during 1999/00 with industry to develop appropriate tools and strategies to reduce or manage risk. The division produced risk-management fact sheets for farm sectors facing extraordinary problems, and other regular fact sheets such as *Dairy Facts* and *Poultry Facts*. The Enterprise Budget structure, which provides financial modelling for agriculture lenders, was also revised to provide three farm types for each enterprise. This information is helping increase farm production and reduce costs.

  The division continues with its work to protect B.C. plants, animals and fish from disease outbreaks. In 1999/00, that included helping veterinarians and producers with disease diagnosis and prevention, and refining and implementing better techniques for controlling diseases and pests.

- The spread of both new and endemic weeds is a significant risk for farmers, because weeds compete with and can contaminate seed crops. Under the authority of the *Weed Control Act*, grants totalling $225,500 were provided to 10 regional districts, three coastal municipalities, and two livestock organizations to help fund weed control efforts. The division also distributed information on invasive weed species to more than 1,700 people through commodity organizations, local and provincial government agencies, and colleges.

- Gypsy moth is extremely destructive, and a serious threat to both agriculture and the provincial forest. An infestation that was discovered on Vancouver Island during 1998/99 quickly brought about the threat of trade action by the United States against B.C. agriculture and forestry exports. The division worked with the forest and agriculture industries, and the B.C. ministries of Forests and Environment, Lands and Parks to implement an eradication program that included aerial spraying. Follow-up results indicate that the program was a success.

  A long-term gypsy moth management strategy is essential to protect B.C.'s forestry and nursery industries. A multi-agency team including the Canadian Food Inspection Agency and the B.C. ministries of Agriculture, Food and Fisheries, Forests, and Environment, Land and Parks was formed to develop a strategy to maintain B.C.'s current gypsy moth-free status. With industry involvement, the team has begun working on prevention, regulation, monitoring and eradication.

- B.C. is a leader in Integrated Pest Management, which balances a number of production practices (e.g., cultural, biological, genetic or other control methods) to reduce dependence on chemical pest control measures.

  This year, division specialists worked with the raspberry and blueberry development councils to produce Integrated Pest Management information that will help producers identify both pests and beneficial insects. The information is being distributed at ministry offices, crop suppliers and industry events.

  The insect *Lygus* can causes extensive seed-yield loss in canola crops. Periodic outbreaks of *Lygus* cost producers more that $500,000

in 1998 for treatments and more than $3 million in lost yields. The division launched an Integrated Pest Management project at the Beaverlodge Research Station in Alberta and conducted B.C. field trials in the Peace River area in 1999. A three-year research project with a $250,000 annual budget is entering its second year and showing promise for controlling this destructive insect.

Because B.C.'s agriculture industry is relatively small and highly diverse, pesticide manufacturers frequently do not invest in expensive approval procedures in the province. During 1999/00, the division continued to work on behalf of the agriculture industry to obtain pesticide registrations from the Pest Management Regulatory Agency and address the agency's new registration requirements. Two emergency pesticide registration requests and 25 "minor-use" pesticide registrations requests were reviewed and submitted this year, while seven of B.C.'s previously temporary approvals were fully registered. A pilot U.S./Canada minor-use trial was completed, and a related training program was conducted.

- The Sterile Insect Release program is a long-term effort to eliminate the codling moth in an environmentally friendly way, eliminating the need for an undesirable pesticide. The program was threatened this year when the town of Creston announced plans to withdraw, but the division provided technical counsel that is expected to resolve Creston's concerns and allow the program to continue.

- To reduce crop losses and enable appropriate crop protection strategies in the horticulture industry, the division provided plant disease, insect and weed diagnostic services around the province, including pest management recommendations. During the year, the Plant Diagnostic Laboratory in Abbotsford diagnosed disease problems and provided control recommendations for 742 samples. The weed program provided 118 weed identifications and 609 weed control recommendations.

Through the Animal Health Branch, the Agriculture Division maintains an animal health diagnostic and disease-monitoring service. It protects B.C. from infectious animal diseases that are of importance to both livestock and humans. It also provides both diagnostic and treatment recommendations to producers and veterinarians. Important related activities include supporting voluntary industry quality programs and food inspection services.

- Johne's disease, which has been connected with Crohn's disease in humans, is a serious production-limiting disease in cattle, sheep and goats. Present tests for the organism are not considered satisfactory, so during 1999/00, the division began a two-year project to evaluate a new culture procedure to test for the agent of Johne's disease in cattle. This is the first step toward a certification system, which is expected to create an economic advantage for B.C. producers and provide greater assurance of food safety for consumers.

- The division developed a rapid, accurate, economical new herd-screening program this year for Bovine Virus Diarrhea disease in cattle.

- Many salmon diseases have the potential to affect the economic viability of the fish-farming industry. The division developed and improved

tests to detect four important salmon diseases for which sensitive and reliable tests were not previously available. These tests will help salmon farmers eliminate carrier animals and reduce the future impact of disease on farmed fish stocks. It will also build a framework that allows industry to comply with recommendations of the Environmental Assessment Review and ensure minimal disease occurrence in farmed salmon.

- During 1999/00, division specialists surveyed farm animals for infections that have potential significance to human health. This work protects the public against instances of human disease from animal contact and results in better protection of B.C. food-animal herds from foreign diseases.

- The division worked with national and provincial animal industry associations to develop on-farm food quality and safety programs for quality assurance in sheep, herbs, beef and hogs.

- The Agriculture Division maintains approximately 5,000 licences, under seven different acts and regulations, related to particular aspects of food production. To make this system more efficient and effective for clients, the division launched a common licensing system this year.

- Farmers use a number of antibiotics to control disease in livestock, and the division monitors the type and quality of prescription and antibiotic use. To ensure that the livestock and poultry industries continue to have access to domestic and international markets, the division developed a database in 1999/00 to record and monitor antibiotic use by feed mills. It also surveyed resistance patterns and worked on harmonizing provincial requirements with other provinces, to improve enforcement.

Investment and Diversification

Investment and diversification initiatives attract new investment to B.C.'s agriculture industry, and ensure that there are sufficient resources available to explore new opportunities for growth and development. Reducing risk through diversification increases investment, creates jobs and boosts profitability.

- In response to historically low grain prices, producers in northern B.C. are looking for ways to diversify their crop production. The division worked during 1999/00 with producers to research and demonstrate new cropping alternatives. Asparagus is now being grown near Soda Creek, and lingonberries and blueberries have been planted in the Central Interior.

- Consumer demand for natural health products is creating opportunities for B.C. specialty crop producers such as the hemp industry. Although hemp is still in a start-up phase, it already shows considerable potential for B.C. production. With support from the Agriculture Division, the inaugural meeting of the B.C. Industrial Hemp Growers Association was held in Chilliwack on October 30, 1999.

- A significant opportunity exists to expand the B.C. greenhouse vegetable cropping cycle from 10 to 12 months. The two-month production gap has meant that some growers have had to build greenhouses in the U.S. to supply their customers year-round. The division established a committee that included interested producers, research contractors and BC Hydro to develop a blueprint for winter greenhouse vegetable production in B.C. Work to date includes research

on new intercropping technology, off-peak trial hydro rates, and supplemental lighting.

- The division created an Alternate Greenhouse Vegetable Crops Committee to establish a model system and protocol for developing new greenhouse vegetable crops that show strong market demand (e.g., medicinal herbs, Asian vegetables, and new salad crops). Start-up funding from the ministry will be used to lever industry and grant-agency funds for a three-to-five-year project to commercialize these new products.

- Small lots of four hectares or less make up a large area of prime agricultural land, particularly near urban areas in B.C. This land has the potential to provide a viable source of farming income in many areas of the province and, in the process, reduce pressure on the Agricultural Land Reserve. In 1999/00, the division held workshops in Abbotsford and Nanaimo to identify needs and constraints in small-lot agriculture in these regions. One result was the development of the *Guide to Starting a New Farm Enterprise*, which is available on the ministry's Web site. The division also supported delivery of small-farm workshops at Malaspina College in Nanaimo and North Island College in Campbell River.

- During 1999/00, the division handled a number of international enquiries about investment opportunities in intensive livestock operations in B.C. It provided technical, marketing, statistical and financial information about hogs, cattle, ducks, turkeys and horses to potential foreign investors from the Netherlands, China, Iran and Mexico.

Industry Self-Reliance

Self-reliance initiatives encourage long-term sustainability in the agriculture industry, which will reduce dependence on governments and demands for ad hoc financial assistance from provincial and federal sources.

- Significant areas of high-capability agricultural land are owned by First Nations in B.C. Developing those lands for agriculture could improve economic opportunities for band members and could potentially reduce pressure to have those lands removed from the Agricultural Land Reserve. The division worked during 1999/00 with various bands on ways to develop the agricultural potential of their land. Information was distributed about general agriculture, opportunities for forage crops, irrigating dry lands, alternate crops, and weed control. The division also met with client groups and provided career information to schools.

- The forage seed industry in the Peace River region is a high-value crop alternative to grain. Producer and industry funds are needed to launch and support research projects on seed production of new grass species, so the division coordinated meetings with processors and producers to explore various funding alternatives. A voluntary contribution of $30,000 each year for three years was secured from the processing sector, and a voluntary producer research fund was launched using contract services funded by a ministry grant.

- Local governments can greatly influence agricultural growth and development within their communities. However, many have shown little awareness of the needs of agriculture in recent years, so the division has been encouraging local governments to establish agriculture advisory committees. New committees were formed this year in Port Alberni and in the Cowichan Valley Regional District. Work also continued on establishing committees in Delta and Langley.

- While there is common agreement that strong, well-financed industry organizations serve the public interest, the reality is that the B.C. Agriculture Council – the provincial umbrella farm organization – and other mainstream B.C. farm

organizations are unable to generate sufficient revenue to finance their operations. This impairs their ability to resolve agriculture issues and hampers industry development. During 1999/00, the division worked with the B.C. Agriculture Council to establish a mechanism for stable long-term funding for agriculture organizations.

- The division also played an important role in supporting industry research committees this year. More than 20 research projects were funded and completed in 1999 in response to critical agricultural problems and emerging opportunities.

Market and Skills Development

Market and skills development programs support the growth of B.C.'s agriculture industry. Producers need current industry information to increase their profitability in today's global economy, and management practices are critical to increasing growth, competitiveness and long-term viability in all sectors.

- The federal government's termination of the Feed Freight Assistance Program several years ago left Vancouver Island without access to animal feed at competitive prices. This has led to loss or decline in many Island livestock sectors and raised concerns about the future of the industry. With initial funding from the B.C. Investment Agriculture Foundation, the Island Farmers Alliance was formed on Vancouver Island in 1998 to help producers by providing education, awareness and marketing campaigns for agricultural products on the Island. During 1999/00, a cross-commodity logo was developed and launched, and an information package was created. Island food and agriculture were showcased at a number of high-profile events, such as the Saanich Fall Fair, which drew more than 60,000 consumers in 1999.

- Tremendous opportunities exist to increase public understanding of the B.C. agri-food system, especially among children who live in cities. This is being done by developing teacher resources that fit directly within the Ministry of Education curriculum guidelines. During August 1999, the Agriculture in the Classroom Foundation conducted a teachers' summer institute at the University of British Columbia's Oyster River Farm facility on Vancouver Island. The teachers who attended will incorporate agricultural concepts into teaching the regular curriculum. Teaching modules developed during the institute will also be made available to all B.C. teachers.

- The ministry continued during 1999/00 to support the Agriculture in the Classroom Foundation with funding and office space.

- The 4-H program has supported youth development in rural communities for more than 100 years. A renewed five-year Memorandum of Understanding with the 4-H Provincial Council was signed in 1999/00 for the period from 2000 to 2005. The agreement supports the council's strategic plan, including ongoing and new initiatives on agriculture technology, agriculture awareness, farm safety and rural-urban connections.

The Agriculture Division and 4-H Club members were instrumental in delivering 30 farm safety workshops, seminars or events in 20 districts across B.C. during this year. These types of presentations help

increase safety awareness and reduce the number of farm accidents and casualties in B.C.

The division continued to work this year with the Ministry of Education to have the 4-H program approved as a credit course for Grades 11 and 12. As a result, 16 students in B.C. high schools will be applying 4-H Grade 11 and 4-H Grade 12 credits toward their high school graduation in 2000.

- The division supported the second annual Pacific Agriculture Show in February 2000 to provide growers with up-to-date information on production, marketing and technology. Information on food safety, sheep, dairy, beef and hog issues was also distributed. Six thousand people attended the three-day event.
- The horticulture industry and the ministry have jointly sponsored an annual growers short course for many years. This year, the 41st Annual Lower Mainland Horticulture Improvement Association Growers' Short Course was merged with the Pacific Agriculture Show.
- In cooperation with the B.C. Fruit Growers' Association, the division updated and distributed the *Tree Fruit Production Guide*. It gives tree fruit growers the latest information on insect and disease management strategies, how to use new crop protection products, new and potential changes to the registration status of commonly used products, and the potential impacts of those changes.
- Researchers in B.C. have developed new varieties of cherries that mature late in the season, when there are no competing products on the market, and more than 120 hectares of late-maturing cherries were planted in 1999. Demand and price for these new varieties have so far been excellent. In 1999/00, the division contributed to the cherry industry expansion by organizing field days.
- The berry industry recognized some time ago that developing and adopting new raspberry and strawberry varieties was critical to the competitiveness of the industry. To gain more grower input on effective breeding programs, the division worked during 1999/00 with the industry to expand discussions on developing berry varieties. A breeding advisory committee has been set up to give direction to the program, advise on commercializing varieties, set up field trials of advanced selections, and guide trials in 2000.
- To optimize corn production and meet market demand, the division worked with the Pacific Field Corn Association in 1999/00 on trials to identify the local adaptability of new

corn hybrids in the Fraser Valley and the Okanagan and on Vancouver Island.

- Many livestock feeds, such as field corn and soybeans – which are central to the industry in other parts of North America – are not well-suited to B.C. Instead, B.C. has developed unique capabilities in high-quality forage production. To optimize production, the division cooperated with producers, the B.C. Forage Council, the seed industry, and Agriculture and Agri-Food Canada to conduct a set of two-year trials in the major forage-growing regions of the province to evaluate new cultivars. Results for the 1998 and 1999 harvest years were sent to producers, seed companies, ministry offices and others. Consistent use of that information is expected to result in higher profitability for those producers in the future.

Other initiatives in 1999/00 to develop markets and skills included the following:

- The Agriculture Division worked with the British Columbia Mushroom Marketing Board to support an independent competitiveness and marketing study of the mushroom industry. Completed in cooperation with industry stakeholders, the study provides much-needed direction for further development of this industry.
- To build field vegetable industry sustainability, producers need management skills, knowledge and tools, so the division developed a change-management industry development proposal. By the end of March 2000, five projects had been completed, giving growers expanded options for improving net farm incomes.
- The division and industry partners gave human resource management workshops to supervisors and managers and made a presentation on related issues at the 2000 Pacific Agriculture Show.
- Bees pollinate more than $100 million worth of field crops in B.C. each year. Aerial spraying to control infestations of the seed-damaging insect *Lygus* in Peace River canola crops can also destroy beneficial insects such as bees, so the division provided maps to agriculture service industries, including aerial pesticide applicators, showing the locations of apiaries and other sensitive sites. The division also contacted beekeepers in high-risk areas to advise them about their options for action. During 1999, aerial spraying for *Lygus* resulted in no reported conflicts.
- The division used new information and experience from previous spray programs in a private sprayer tune-up service in the Fraser Valley. By helping producers manage pesticides appropriately, with proper sprayer equipment calibration and tune-up, pesticide applications are expected to be safer and more accurate.
- The blueberry industry is implementing recommendations from a report by the Farm Practices Board, by providing guidance on the use of propane cannons, one of several bird control techniques. The division and the industry met to discuss ways to minimize crop losses and promote responsible use of the cannons – and reduce friction with urban neighbours. A working group was set up to develop an Integrated Bird Management Plan template for the 2000 growing season.
- The beef industry has identified an opportunity to extend the cattle grazing season by winter grazing on corn and other forages. The division held workshops for farmers during 1999/00 on irrigation, stock-watering, alfalfa production, weeds, ration balancing, and business decision aids. The division also developed procedures to test and demonstrate stockpiling of forage to reduce winter feed costs.

Providing timely, accurate and relevant information is another aspect of the Agriculture Division's responsibility for market and skills development.

- To give producers an unbiased source of comparative information on new crop or cultivar adaptation for areas with unique climatic conditions, the division supervised trials, analyzed results and prepared annual trial summaries. Central B.C. farmers were given forage seeding recommendations for pasture, hay and silage crops for the 2000 crop year.

- The North Central Region Forage Quality Seminars, the Vancouver Island Forage Seminar, and the B.C. Forage Council Annual Meeting and Technical Seminar gave the division opportunities to present new technological and production information to producers. In addition, the division helped prepare and distribute the *Advanced Forage Management Manual* to address the needs of South Coastal forage producers.

- The division produced an eight-page *Vegetable Production Guide 2000 Supplement* and distributed it at the Lower Mainland Horticulture Improvement Association Growers' Short Course. The *Guide* lists 16 new products and provides application methods to help the industry remain competitive.

- In response to the large number of enquiries from potential new landscape nursery growers, the division worked with the B.C. Landscape Nursery Association to produce a 34-page guide to starting a nursery in B.C.

- Dutch elm disease is present in northern Washington State. A vector of the disease, the European elm bark beetle, is established in the southern part of B.C. As part of the B.C. Plant Protection Advisory Council, the division is developing a brochure on Dutch elm disease for distribution to the public through garden centres. The brochure provides information about how to inspect local elms for the disease and where to report any trees with disease-like symptoms. Quick detection and tree removal are keys to managing an outbreak.

- To address other sector-specific concerns, the ministry prepared fact sheets on emerging viruses in greenhouse tomatoes, toxicity in grass that is used for straw for livestock forage, Eastern filbert (i.e., hazelnut) disease, and summary results of the South Coastal forage analysis.

Regulatory Reform

Regulatory reform initiatives improve worker safety and reduce policies that inhibit the growth of B.C.'s agriculture industry. During 1999/00, the Agriculture Division worked on a number of regulatory reform initiatives and ongoing issues.

- The cost of agricultural labour represents 20 per cent of average B.C. farm expenses. On many farms, labour is the largest single expense, yet wages are relatively low. In some cases, this has resulted in worker shortages, particularly in the largely hand-harvesting sectors, such as berries, vegetables and fruit.

To address and resolve these issues, industry groups and government agencies have recognized the need for a province-wide agricultural organization that is supported by all agricultural employer and employee groups. The division supported a review, which is now complete, by the Agricultural Workforce Policy Board. The board's recommendations

will be central to developing a broad-based agricultural workforce accord.

- In response to requests by agricultural employers for major changes to *Employment Standards Act* regulations, the division held discussions with the Ministry of Labour and farm organizations, and changes were made. Permanent workers, especially those on livestock farms, are now better able to average-out their work hours with paid time off during the winter to compensate for extra hours they have worked in the previous six months.

- The Farm Labour Coordination Pilot Project is a partnership involving the Town of Oliver, the Oliver Rotary Club, the Ministry of Agriculture, Food and Fisheries, the Ministry of Social Development and Economic Security, and student coordinators employed by the Oliver Chamber of Commerce. The project, in which the students worked to match farm labourers with employers, is now being considered by other local governments with similar concerns.

- If proposed new legislated requirements for the operation of greenhouse heating units had been implemented, it would have resulted in considerable cost increases for the industry. The division therefore worked with the industry to revise regulations within the *Power Engineers and Boiler and Pressure Vessel Safety Act* to allow greater flexibility in assessing greenhouse operations safety. The division developed procedures and evaluations to augment the intent of the legislation, as well as guidelines for determining whether a greenhouse enterprise can operate under general supervision status or risk-assessed status. In cooperation with Kwantlen University College, the division also developed a base curriculum for low-pressure hot-water systems used in B.C. greenhouses.

Support for Emerging Industries

Agriculture Division work to support emerging industries includes initiatives that enhance investment and development in emerging commodities or sectors. The goal is to increase the overall productivity and profitability of the agriculture industry.

- To make the production of game and specialty birds more profitable, further research is needed before full commercial operations can be developed. The division therefore worked with the University of British Columbia and other institutions during 1999/00 on game-bird research. A business plan for the development of a proposed Avian Research Centre at the university has already been implemented.

- Emerging specialty crop industries in B.C. place high priority on developing industry production information. The division helped the Food Industry Branch develop the *B.C. Herb Sources Directory* and upgraded the *Ginseng Directory* during 1999/00. The division also played a lead role in discussions with the herb, ginseng, hemp and seabuckthorn industry associations about the feasibility of combining their respective directories into one general, industry-funded directory for specialty crops.

- The market for native plants is growing exponentially, for everything from highway medians, public landscapes and steam enhancements to forest and mine-site reclamation projects. However, not all landscapers developing these projects are well-informed about what native plants are available. The division worked with the B.C. Landscape Nursery Association's Native Plant Committee to survey B.C. nurseries about the type and quantity of native plants they grow. From that data, the division and the association produced a publication that categorizes more than 200 native plants based on their level of production and site preferences.

AGRI-FOOD POLICY

FOOD INDUSTRY

Diversity is a fundamental strength in B.C.'s food chain. The ability to grow more than 200 primary commodities increases the options for food and beverage product development. It also opens up a variety of market opportunities. One in seven British Columbians, or more than 250,000 people, work in some capacity to help meet the growing demand, in both domestic and export markets, for B.C. food and beverage products.

British Columbians continue, in large measure, to make their food and beverage purchasing decisions based on freshness and quality. Price is always important, but more and more, it is secondary to other values. Ministry focus-group research reflects the social mosaic and shifting preferences of B.C. consumers: demand is on the rise for agri-food products linked to nutrition, overall health, ethnicity, convenience and environmental protection.

These trends offer options for differentiating B.C. products in the marketplace. B.C. food is currently grown and processed under extremely high standards, and many producers and processors are considering the advantages of certifying and marketing those standards. Others are exploring the untapped possibilities of differentiating products for particular market segments. Demographics, geography and skills provide opportunities to further establish the British Columbia agri-food industry as a supplier of choice for domestic and international customers based on quality, service and total product value.

Over the past year, Food Industry Branch activities have contributed to the ministry's industry development strategic objective by focusing on improving conditions for the food producing and processing sectors. Specifically, the branch concentrated on:

- helping build a positive business climate for investment,
- providing assistance to improve industry competitiveness,
- improving access to information,
- building and reinforcing consumer loyalty to B.C. agri-food products, and
- supporting emerging industries.

A Positive Business Climate

As the business of agri-food becomes increasingly complex and more challenging, the Food Industry Branch continues to support the interests of the sector in a variety of ways.

- The branch has taken a consultative and analytical approach to dealing with issues that limit investment, productivity or expansion of the agri-food sector. For example, when it became apparent that new

beverage container legislation would have negative impacts on B.C.'s beverage industry, the branch negotiated a solution for recycling polycoat beverage containers, such as drinking boxes and gable-top containers. Crown Packaging of Burnaby will modify its existing paper recycling facility to process the containers. By 2001, the Crown Packaging mill will be the first in Western Canada to process polycoat beverage cartons, and only the second such site in all of Canada. The recycled material will be used in a high-quality industrial paper.

- When B.C. businesses selling soy food products to other provinces were faced with market-access restrictions, the Food Industry Branch represented B.C. in a national working group. The dispute was resolved by applying the Agreement on Internal Trade on Alcoholic Beverages. That group has recommended changes to provincial regulations to allow the sale of these products in all provinces. Provincial ministers will be asked to review the stakeholder input and recommendations.

- Before access to the European Union can be negotiated for Canadian wines, a national wine standard must be put in place. To that end, the Food Industry Branch worked during 1999/00 with the Canadian General Standards Board and the B.C. grape and wine industry to provide broad B.C. representation on the Canadian General Standards Board Wine Committee, and to advocate that the B.C. standards model be adopted as the national standard. A national wine standard is expected to help open up new advertising and export markets.

- The process of genetically modifying agri-food products has raised concerns among consumers, producers and processors. The Food Industry Branch has been synthesizing client and consumer concerns and working with other government agencies and industry groups (e.g., the Canadian Council of Grocery Distributors, and the Canadian General Standards Board) to develop appropriate and adequate identification mechanisms for genetically modified foods.

- A U.S. Food and Drug Administration (USFDA) sampling program for fresh B.C. produce sold into the U.S. was causing major market disruptions and having negative effects on several B.C. firms. The Food Industry Branch surveyed the affected firms, reviewed USFDA programs, secured the cooperation of Canadian federal agencies, and negotiated a review of the issue with the USFDA. As a result, the USFDA immediately suspended sampling of B.C. shippers under the pilot program.

Industry Competitiveness

The B.C. agri-food industry has strong potential for job creation, economic growth, and rural development. Recognizing that, the Food Industry Branch worked during 1999/00 to identify opportunities for improved vertical relationships in the food chain, to expand market and product information to the industry and consumers, and to support public safety.

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FAST FACTS

B.C. FOOD SERVICE	1998	1999
Food service establishments	9,370	9,336
Sales ($billions)	$5.9	*
Employment	117,100	116,600

*Statistics Canada information unavailable until fall 2000

Industry Competitiveness

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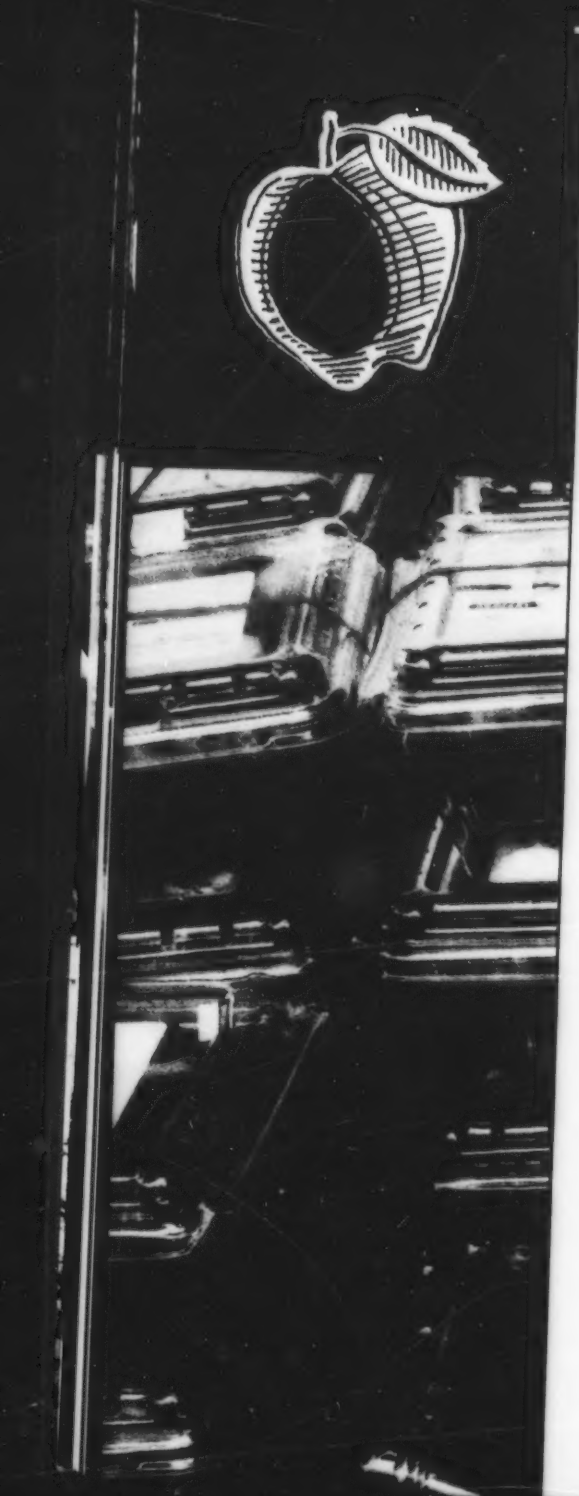

- The branch published an updated and expanded version of the *BC Food Processor's Manual*. This popular manual provides basic information on topics ranging from market research and strategies to product development technologies. Summaries of each of the 13 topic areas were also circulated to more than 150 firms in B.C.

- In conjunction with the B.C. Food Technology Network, the branch conducted a study of B.C. food technology infrastructure. The study identified gaps in technology-related services for the B.C. food processing industry. The network is now developing ways to address identified needs for access to equipment, expertise and information.

- The high quality of B.C. food and beverage products creates a natural marketing advantage. To put that advantage to work, the branch consulted with the industry during 1999/00 about how provincial legislation might be designed to enhance consumer awareness of the high quality of B.C. agri-food products. That input will be used in developing the new legislation.

- Increasingly, consumers want to know the details of specific agri-food product characteristics, including the conditions under which products are grown or processed, and the health and nutrition values they carry. Understanding this trend, the division has been able to help producers identify new product and market opportunities. A next step in securing customer preference may be certification of some products.

- Direct marketing from the farm or a farmers' market is an important alternative for producers who don't have traditional wholesale and retail marketing channels. Direct farm marketing has been identified as a diversification strategy, and the Food Industry Branch continues to work with industry and communities to promote this concept. During 1999/00:

  - a seminar was held for 40 Central Interior clients to help them market their products more effectively, and the *"Fresh from the Farm" Highway 16 Farm Product Directory* was expanded to the Internet,
  - the branch hosted the first B.C. farmers' market conference, in response to requests from farmers' markets. This led to initial planning of an association, and
  - the branch helped local farmers' markets in the Southern Interior obtain Buy BC promotional materials and conducted two workshops for new entrants into value-added processing of farm products.

- The Food Industry Branch is working with the Agriculture Division to help the Peace Value-Added Food and Agriculture Association and several other local organizations diversify and increase value-added activities in B.C.'s North Central Region. The association has secured funding over three years for market and product development, and for work on a business case for a proposed community food-processing centre.
- The Community Futures Development Corporation of Peace-Liard established the Northern Exposure Gift Company to provide distribution and marketing for regional producers of gift and food products. Some 70 products from 30 producers are already being marketed. The corporation also provides training to producers, and expects to be able to market more products as producer development continues. The branch has been involved from the beginning in advising on and helping with development.

Access to Information

Throughout the Agri-Food Policy consultation process, the agri-food industry asked the ministry for access to information relevant to their business needs. The Food Industry Branch therefore led a pilot project to test a new Internet site for a broad range of information specific to particular business sectors (e.g., ornamentals and organics). The site has received positive reviews from nursery and floriculture growers, and from government professionals. Based on an assessment of the pilot, the site may be expanded during 2000/01.

Buy BC

The Buy BC program has been built by industry and government, but consumers have made it an unqualified success. Buy BC has greatly increased the recognition and use of B.C. foods, beverages and agricultural products since its creation in 1993. In recognition of that success, and in direct response to a request from the industry through the B.C. Agriculture Council, the Buy BC program received an extra $1 million in the 1999/00 fiscal year to expand its work.

BUY BC: Highlights

More than 1,180 companies used the Buy BC logo in 1999.

More than 710 food service operators are registered as BC Cuisine members.

BC Sharing, which supports food banks throughout B.C., raised more than $1.6 million for the purchase of B.C. food products.

The British Columbia Wine Institute received a grant of $200,000 from the ministry for market development programs in the retail and hospitality sectors.

Overall, the Buy BC program was revitalized through the development and implementation of a new creative framework, including new television ads and visual marketing materials.

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BUY BC PARTNERSHIP PROGRAM PROJECTS

Celebrating "B.C. Food & Wine for All Seasons," The British Columbia Wine Institute intensively marketed B.C. wines during May, July, September and November 1999 with a campaign that included print advertising, point-of-sale materials and a media event. Sales of the 21 B.C. wines featured in a single September 1999 *Vancouver Sun* insert rose 99.6 per cent over the same month in 1998. September 1999 sales of the top 10-selling B.C. wines rose 121.5 per cent over the same month the year before.

A new ad campaign for the B.C. Dairy Foundation – "Chocolate milk is a guilty pleasure without the guilt" – ran on Vancouver radio during summer 1999. Between July and September, total chocolate milk sales were up 12 per cent in volume and 9 per cent in sales dollars.

To market all Island Farms products sold in the Victoria area in 1999, the Island Farms Dairies Co-op Association used media advertising, in-store merchandising, a consumer contest and a BC Sharing coupon promotion. During the campaign, sales volume increased by 4 per cent, and sales dollars increased by 10.2 per cent, or $1.04 million.

- A regional Buy BC program component was developed, featuring B.C. agri-food and beverage products for sale at local or regional farmers' markets (e.g., "Fresh from the Cariboo").
- Thirteen food and beverage firms received more than $400,000 in funding through the Buy BC Partnership Program, and contributed another $750,000 toward promoting products grown and processed in B.C. (see sidebar). These projects bring together ministry, industry and community partners on promotional and marketing activities that expand consumer awareness and increase competitiveness for B.C. agri-food products.

Emerging Industries

Nutraceuticals

The B.C. Functional Food and Nutraceutical Network is a new organization in the B.C. agri-food sector. Its goal is to become a financially independent organization in support of the technical development of the functional food and nutraceutical industry in the province. The Food Industry Branch supported the annual network conference, which highlighted marketing in a changing regulatory environment, and it continues to encourage network efforts to promote new products and business development.

A key value of nutraceutical products is the presence and concentration of active, or health-giving, ingredients. To overcome industry frustration with the lack of uniformity among testing laboratories, the branch sponsored an initial testing project with the British Columbia Institute of Technology. All B.C. labs are participating in the project, which could have national implications in establishing uniform testing of the value of nutraceuticals.

Development of this emerging industry was being hampered by difficulties in connecting growers and processors of raw herbs with market opportunities. During 1999/00, the branch responded by producing a complete directory of the province's nutraceutical industry. The *BC Herb Sources Directory* lists participants at all levels of the industry – from equipment and service suppliers to growers, processors and distributors – and has already improved connections between buyers and sellers within B.C. and beyond. Future issues of the publication will be managed by the industry.

Organics

Much of the ground-breaking work has been done to establish a strong B.C. organic industry. The Food Industry Branch maintains strong ties to the industry by contributing to amendments to industry certification standards and providing information for those exploring particular opportunities.

The Certified Organic Association of British Columbia has recently implemented its B.C. certified organic standard for fluid milk. The branch worked during 1999/00 with newly certified organic producers, processors and others in the industry to ensure that the growing consumer demand for local organic fluid milk is met.

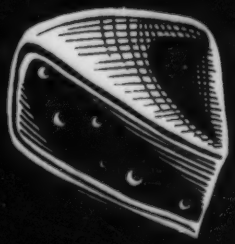
Agroforestry

In 1999/00, the Food Industry Branch led and implemented a series of projects designed to examine and support opportunities in the agroforestry sector (see sidebar). Projects included a stand management study of Christmas trees and boughs, a study to examine the constraints and opportunities of the sector as a whole, and an industry newsletter.

AGROFORESTRY PROJECTS

Forest Renewal BC's five-year, $5 million Small Woodlands Program was developed with the help of the Food Industry Branch and a number of agricultural producers. The aim of the program is to stimulate production of wood fibre on private lands in B.C. by helping landowners move into small-scale forestry. Agricultural producers are encouraged to intensively manage existing timber or plant new trees on their lands. The 400,000 hectares of private woodlands in the Agricultural Land Reserve are also a target of the program, which maintains that timber production and agricultural crops can co-exist on the same land base.

Hybrid poplar can grow to 100 feet in just 10 years, making it a highly attractive cropping alternative for agricultural producers. Listed as a primary agricultural crop accepted for farm land taxation since 1995, there are now more than 6,000 hectares of hybrid poplar planted in B.C. The Food Industry Branch is working with the industry on an economic analysis of the market possibilities for hybrid poplar and other short-rotation hardwoods.



POLICY AND LEGISLATION SERVICES

The support work that is done by Policy and Legislation Services underpins all of Agriculture and Food's major programs and strategic objectives. Core functions include taking a leading role in federal/provincial negotiations and providing a broad range of expertise, counsel and leadership in developing, coordinating and monitoring ministry policy and planning. Specifically, the division is responsible for policy issue analysis, representing the ministry at key intergovernmental forums, and maintaining information bases on policy framework, all relevant and related legislation, and agri-food industry conditions, performance and resources. Other significant areas of responsibility include trade, regulated marketing, First Nations treaty negotiations, and corporate planning.

Policy and Legislation Services deals with clients as diverse as the Safety Net Advisory Committee, the British Columbia Marketing Board, individual agri-food industry groups, and consumers.

In 1999/00, the division focused on meeting performance goals for industry development in:

- policy development,
- regulatory reform, and
- trade and investment.

Policy Development

Leading Federal/ Provincial Negotiations

The agricultural safety net in British Columbia is made up of a number of programs that help farmers deal with unexpected weather and market disasters. The federal and provincial governments jointly fund safety net programs according to the provisions of a single negotiated federal/provincial agreement. The last agreement expired on March 31, 2000.

The division continued during 1999/00 to lead negotiations on behalf of the ministry to finalize a new safety net agreement. Those negotiations were concluded in March 2000 with a new funding formula that is based on the relative size of the industry in each province (i.e., federal funds to each province now correspond to each province's proportional farm industry output and production).

Out of these negotiations, B.C.'s allocation under the new agreement was increased to bring it more into line with its farm industry output, which is about 5 per cent of the national total (for commodities covered by the national agreement). The net effect is an increase, over the amount received in 1999/00, of $15 million annually for each of the next three years, for a total of more than $32 million in federal funds annually.

Policy Initiatives

- Biotechnology emerged mid-year as a major policy issue because of public concern over biologically modified foods. The Policy and Economic Analysis Branch chaired the ministry's Agri-Food Biotechnology Committee, which is examining the opportunities and issues arising from this new technology and developing recommendations for the ministry's role. The branch also represented B.C. on the Federal/Provincial Committee on Agri-Food Biotechnology, which will report to federal, provincial and territorial ministers of agriculture later this year.
- During this year, Agriculture and Food staff appeared before the Select Standing Committee on Agriculture and Fisheries to present alternatives to the current system of farm land taxation in B.C. A detailed discussion paper and examples of different ways to change the tax system – and the financial implications to farmers, municipalities and provincial revenues – were provided to the committee for its consideration.
- During 1999/00, the division completed an inventory of relevant federal funds and programs. Next steps involve tracking and improving access to these sources for the British Columbia agri-food industry.
- The division also continues to work with the Ministry of Finance and Corporate Relations in fine-tuning the list of tax-exempt products that farmers can purchase for use on their farms.
- The Policy and Economic Analysis Branch now includes the Statistics Unit. In this year, the branch began to develop additional data series to increase the effectiveness of ministry commodity planning, resource use management, and executive and ministerial presentations and decision making.

Planning Initiatives

- The division continued to lead ministry participation in provincial Land and Resource Management Plans. As a result, access to more than 20,000 hectares of agricultural land was improved. By providing more information, completing arability studies and developing agricultural policy, agriculture is increasingly being recognized and accommodated in every region of the province.
- The division provided ongoing support for the evaluation of tax policy implications and agricultural safety net issues, and provided support to assist with industry strategic planning.

Food Quality and Safety Legislation

- The ministry continues to reposition food quality and food safety legislation to help the B.C. agri-food industry respond to both changing consumer preferences and marketing opportunities. During the 1999 legislative session, the ministry tabled two initiatives to promote this shift:
  - The proposed *Agri-Food Choice and Quality Act* establishes a streamlined framework for industry initiatives to deliver programs certifying the high quality of B.C. agri-food products.
  - The proposed *Food Safety Act* maintains rigorous food safety standards while supporting the shift to outcome-based standards for food inspection. The *Act* would align B.C.'s standards with national or international standards and promote industry innovation and competition.

The division continues to work with the agri-food industry and the Food Industry Branch to refine these proposals, which will be reintroduced in a future session of the Legislature.

Regulatory Reform

Employment Standards Regulations

Changes made during 1999/00 to provincial employment standards regulations will benefit farmers and farm workers. The changes include streamlined calculation and payment of vacation and statutory holiday pay, wages and salaries, the banking of overtime for hourly and salaried workers, and adjustments to licensing, bonding and deposit requirements for farm labour contractors. The changes reflect the realities of agriculture production and reduce red tape.

In addition to the food quality and safety changes made this year, the ministry contributed to industry development and government legislative streamlining with several other initiatives during the 1999 legislative session:

Miscellaneous Statutes Amendment Act (No. 2), 1999

- The *Natural Products Marketing (B.C.) Act* was amended to enhance the British Columbia Marketing Board's ability to manage appeals from commodity boards, and to ensure that appeals are conducted efficiently and effectively. In particular, the B.C. Marketing Board was authorized to better equip itself to handle the confidential business and personal information that it receives during appeal hearings.
- The *British Columbia Wine Act* was amended to change the British Columbia Wine Institute from a government-appointed to an industry-elected board. The elected institute will continue to include representation from all sectors of the B.C. wine industry. Elections to the institute will be held in July 2000.
- The *Veterinarians Act* was amended to authorize the B.C. Veterinary Medical Association to take civil action against anyone found practising veterinary medicine in contravention of the *Act*. This amendment makes the association more self-sufficient and improves its ability to govern the provision of veterinary medical services in B.C.
- The *Animal Disease Control Act, Seed Grower Act, Seed Potato Act* and *Weed Control Act* were also amended to repeal provisions that are no longer applicable and to reflect more streamlined procedures.

Regulations

- A total of 44 orders-in-council were processed by Policy and Legislation Services during 1999/00. Collectively, these orders enabled effective implementation of the ministry's planned legislative program for the year.
- Although the review of the regulated marketing structure in B.C. was not finalized, the following regulations were developed to deal with requests identified by regulated marketing boards as essential to immediate operations:
  - The "sunset clause" in the hog and mushroom schemes was extended for a longer period.
  - Amendments were made to the definition of "quota" in the egg marketing scheme.
  - Changes were made to the elected-member structure of the British Columbia Vegetable Marketing Commission.
  - Provisions were added to clarify federal/provincial agreements and delegations of authority between federal and provincial regulatory agencies.

Trade and Investment

The Seattle ministerial meeting in December 1999 failed to launch comprehensive trade negotiations. The division therefore worked to maximize B.C.'s effectiveness in responding to the new round of World Trade Organization agriculture negotiations that began in Geneva in March 2000. Major preparatory activities included:

- supporting the work of the B.C. Advisory Council on Trade and Subsidies (chaired by the Minister of Agriculture, Food and Fisheries), which met three times in 1999 to discuss the aftermath of Seattle and review Canadian negotiating positions from a B.C. perspective,
- helping organize a federal/provincial/industry conference on Canada's World Trade Organization agriculture negotiating position, and providing technical support for participation by the minister and B.C. industry representatives, and
- ensuring that provincial trade policy positions and priorities reflect the needs of the B.C. agri-food sector.

- The division provided trade advice related to the implementation of the 17-point Record of Understanding between Canada and the United States on specific irritants to the agri-food trade. That work included supporting participation by the minister and staff in the new Provinces-States Advisory Group.
- The division provided technical information and trade advice to B.C. government agencies and industry about implementation of the World Trade Organization ruling against Canada's dairy export program.
- The division provided input to ensure that provincial interests were reflected in the implementation of the Federal/Provincial Agri-Food Investment Strategy.
- Policy and Legislation Services was actively involved in the joint Federal/Provincial Agricultural Trade Policy Committee to ensure that federal trade policies and priorities reflect B.C. industry needs.
- During 1999/00, the division also contributed to government and industry efforts to obtain rights under international trade agreements and eliminate unfair barriers to B.C. agriculture and food exports, including:

- terminating the U.S. trade action against B.C. and Canadian cattle exports,
- terminating the long-standing U.S. trade action against Canadian hog exports,
- successfully challenging, through the World Trade Organization, Australia's new restrictions on fresh and frozen B.C. salmon products,
- addressing interprovincial barriers to B.C. dairy analogue exports, and
- addressing European Union barriers to high-quality B.C. wines and icewines.

RESOURCE MANAGEMENT

The goal of successful resource management is increased access to land and water within the Agricultural Land Reserve, leading to agri-food development that is both environmentally sustainable and economically viable. This involves expanding opportunities within the Agricultural Land Reserve. It also involves removing constraints to agri-food growth and resolving conflicts. Key strategies for achieving resource management goals include legislative and regulatory changes, local farm bylaws, community-based planning and guidelines, and consultative strategies for reducing and resolving conflicts between agriculture and other interests (e.g., wildlife and recreation).

The following highlights summarize Agriculture and Food's 1999/00 resource management accomplishments.

Agriculture

For viable, long-term growth in the agriculture industry, the availability of Crown resources must improve or at least be maintained. To that end, the Agriculture Division's 1999/000 work on resource management strategic objectives focused on:

- access to land and water, and
- regulatory reform and policy development.

Within strategic goals for access to land and water, the division worked to ensure that producers maintain or gain access to those natural resources in the Agricultural Land Reserve that are fundamental to the growth and development of their industry. This involved actions to protect or restore land and water quality and support farming and ranching practices that are environmentally and economically sustainable.

Access to Land and Water

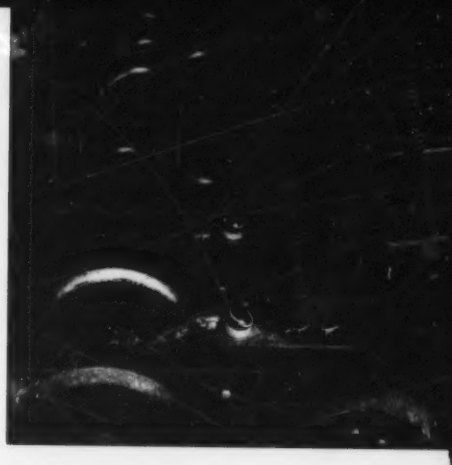
- Farmers are under considerable pressure to adopt environmentally sound practices. At the same time, they must respond to complaints about farm practices that produce disturbances, odours and dust. Correspondingly, local government bylaws must now meet the terms of the *Farm Practices Protection (Right to Farm) Act*. In 1999/00, the division reviewed and provided input to local government plans and bylaws that affect agriculture (e.g., the official community plans for Granisle-Topley and Houston). Similar work is in progress on local government plans, zoning bylaws, and growth strategies in Kelowna and Peachland, and in the regional districts of Central Okanagan and Thompson-Nicola, among others.

- By Cabinet regulation under section 918 of the *Municipal Act*, local government bylaws must not prohibit or restrict the use of land for a farm business in a farming area. While this provides an opportunity to improve the regulatory climate for agriculture, it also requires caution and sensitivity: local governments have historically had responsibility for enacting land-use bylaws, with limited provincial oversight.

  In 1999/00, the division researched criteria that local governments could use to determine the need for additional dwellings for farm employees, and drafted a discussion paper. Other research was conducted on techniques and standards to help manage urban/agriculture edges, known as Special Management Areas, through farm bylaws. The division established a process for developing management standards specifically for these areas.

- Lack of access to water limits agricultural growth and development in arid regions of the province. The principal way to reduce water requirements and increase the amount of land that can be irrigated with the existing water supply is to implement effective water conservation practices. The division worked this year with farmers to monitor current irrigation systems. It also provided information on irrigation scheduling. The South East Kelowna Irrigation District demonstrated an irrigation scheduling system that effectively conserves water without affecting crop performance.

- Insufficient manure storage capacity forces many livestock farms to spread manure during the winter, when the risk of environmental damage is high. To address this problem, the division is administering a manure storage program funded by the B.C. Investment Agriculture Foundation. A total of 128 applications were reviewed during 1999/00, and 93 were approved for funding. This program is dramatically improving the industry's winter manure storage capacity and is expected to significantly reduce negative environmental effects.



- Land and Resource Management Plans are broad land-use plans prepared with input from regional stakeholders. Plans include meeting the needs of local governments and their constituents, as well as the needs of all resource sectors, including agriculture. The division participates in the Land and Resource Management Plan process to ensure that agricultural interests in Crown land and water are identified and included, and to ensure access to Crown resources for agricultural use.

  In the North Central Region, the division participated in four Land and Resource Management Plan negotiations, five sub-regional planning processes, and one protected area planning process. Agricultural interests were also examined in the Lakes District and the Robson Valley Land and Resource Management Plan, and at Churn Creek and the Empire Valley Ranch.

In the Southern Interior Region, division support to the Kamloops and Kootenays Interagency Management Committees resulted in successful inclusion of agricultural objectives into the Kootenay-Boundary Land-Use Plan Implementation Strategy. The division is closely involved in the process to develop new land-use plans for the Okanagan-Shuswap and Lillooet areas.

The Agriculture Division also supported fire-maintained ecosystem restoration initiatives aimed at controlling forest ingrowth, which continues to shrink the grazing resource for livestock and wildlife in the Kootenays.

- The division participated in other Crown land-use planning processes, including a review of the southern crossing gas pipeline proposal, the Salmon River roundtable, a noxious weed working group, the Okanagan Basin Water Board, and various meetings on forest encroachment. These efforts ensured that mitigation strategies would be included in planning, negative agricultural impacts would be minimized, and Crown resources will be better utilized and protected for use in farming.

- The province is supporting the establishment of the Trans Canada Trail. This recreational corridor passes through many farm areas, and there may be significant negative effects for food producers. The division participated in the development of a protocol of understanding to mitigate negative impacts on producers' land adjacent to the trail. As a result, as much as $2 million has been approved for agriculture impact mitigation work, involving trail re-routing and construction of fencing, signage, parking areas, washrooms and related facilities.

- British Columbia's vast Crown range is a valuable and important resource for B.C.'s ranching sector. But because forest fire control measures have become so effective, Crown range is no longer naturally cleared by wildfires. Forest ingrowth and encroachment are consuming some 5,000 hectares of range land each year.

The Grazing Enhancement Fund program was established to help the ranching sector maintain and enhance the grazing resource and meet new conservation and environmental objectives on Crown range tenures. New grazing enhancement funds are often created as Land and Resource Management processes are completed.

In northern B.C., the Fort St. James, Prince George, Dawson Creek, Kispiox and Bulkley Land and Resource Management Plan areas were added during 1999/00 to the eligibility list for Grazing Enhancement Fund projects. The $1.5 million available for project work spurred 73 water developments, construction of 121 kilometres of cattle trails, 153 kilometres of wire fencing, 9 kilometres of fencing, and 593 hectares of range renovation and upgrading to address forest encroachment on grasslands.

In the Southern Interior Region, Grazing Enhancement Fund programs are in place in the Kootenay-Boundary and Kamloops land-use plan areas. The division was involved in range enhancement advisory committees, which are responsible for prioritizing applications to meet program objectives. Within the region, $893,000 covered 75 projects.

Forest encroachment has also reduced the area of grasslands and open range in the Cariboo-Chilcotin region, affecting both livestock grazing and biodiversity. An interim report on grassland encroachment and ingrowth recommended establishing a grasslands benchmark area, mapping and retaining historical grassland areas, and restoring grasslands through treatment of the most recently encroached areas.

- Many farmers have stocks of old pesticides that are unusable and a potential environmental and health hazard. The division led a multi-stakeholder team this year to develop a program for the collection and disposal of these unwanted pesticides. Over a three-day collection in February 2000, growers turned in more than 30,000 litres of liquid pesticides and 29 cubic yards of dry pesticides.

Regulatory Reform and Policy Development

Regulatory reform and policy development initiatives concentrate on reducing policies that inhibit or constrain growth or development of B.C.'s agricultural resources.

- The Partnership Committee on Agriculture and Environment provides a forum for industry and environmental agencies to work together to find mutually beneficial solutions to agriculture-environment issues. The committee met four times in 1999/00. Nine task groups are currently dealing with watercourse maintenance, riparian management, nutrient management, wildlife, non-agricultural wastes, cranberry industry issues, dead livestock disposal, communication, terms of reference, and funding.

- Watercourse maintenance, an essential component of drainage and irrigation, has become a major concern for federal and provincial environmental officials charged with protecting fish habitat. To address concerns, the Agriculture Division developed maintenance policies for ditches, channeled streams and natural watercourses. A pilot program in the Fraser Valley and a draft policy for Vancouver Island are both complete.

- Riparian zone management and the goals of the *Fish Protection Act* are of significant concern to the agriculture industry. Increasingly, there is a need for a balanced approach that meets the objectives of the *Act* without compromising farm viability. The division proposed a stewardship model – involving best practices, self-audits and peer support – which was embraced by industry and government. The division also participated on the interagency task force that is developing riparian self-audits and guidelines for riparian management in agricultural areas. Self-audits for the dairy, beef and horticultural sectors, as well as a watershed management plan, were also drafted.

- The ministry continues to encourage local governments to make long-term plans for agriculture in their communities. To do so, local government planners and politicians require a range of information, including reports, charts and maps, as well as reliable statistics. In this year, the division developed a template for approximately 55 local government agricultural overviews and worked on an agricultural Geographic Information System (GIS). Eight overviews were completed, and data input was begun on most other overviews. In addition, an agricultural GIS was developed for the District of Pitt Meadows. As a result of this work, the capacity is now in place to enhance local government decision making and planning-support systems, while promoting agriculture.

- Urban storm water runoff can have a major impact on farm land. In recent years, flooding has become increasingly problematic on some of the most productive farm land in the Lower Mainland. During 1999/00, the division circulated a draft

discussion paper to stakeholders, established a storm water management committee and participated in the Surrey Headwaters Project, which demonstrated how urban areas can be developed without causing runoff problems. The division also provided considerable input to storm water management processes in several Vancouver Island agricultural areas.

- Livestock operations are constantly challenged to handle, store and transport manure in ways that are environmentally acceptable. Along with the Ministry of Environment, Lands and Parks and industry partners, the Agriculture Division distributed information to the sector during 1999/00 on effective manure processing. Livestock operations in the Fraser Valley now comply with the Code of Agricultural Practice for Waste Management, and fact sheets have been developed for industry use.
- Greenhouse vegetable production in Delta is a growing and significant agricultural enterprise. However, there are still substantive issues regarding the infrastructure that is required to service greenhouses (e.g., water, roads and energy). There are also concerns over interactions among greenhouse operations, wildlife and the environment. In a process initiated by the division, negotiations continued during the year between the Delta council, greenhouse owners, government agencies, and representatives of environmental groups. The division continues to work closely with all of those involved.

Policy and Legislation Services

To support the ministry-wide goals articulated in the *1999/00 Strategic and Business Plan*, the division's primary focus this year was on regulatory reform and policy development.

Land Reserve Commission Act, 1999

- The *Land Reserve Commission Act* merged the Agricultural Land Commission and the Forest Land Commission into a single Land Reserve Commission, effective April 1, 2000. The unified commission is responsible for administering the Agricultural Land Reserve and the Forest Land Reserve systems. The reserves themselves continue as separate entities under the renamed *Agricultural Land Reserve Act* and the *Forest Land Reserve Act*. Combining the administration of the reserve systems into a single commission increases efficiency. It also fosters consideration of how the two reserves can be administered in a complimentary way, or even merged.

Agricultural Land Commission Amendment Act, 1999

- Acting on the recommendations of the Quayle Commission made in 1998/99, the *Agricultural Land Commission Act* was amended to improve the process for reviewing "provincial interest" proposals. The "provincial interest" process recognizes that:
  - there are very rare cases where a matter involves interests that are important to the province as a whole, and
  - that those interests may be broader than the Land Reserve Commission's mandate of protecting agricultural land.

Amendments to the *Agricultural Land Commission Act*:

- clearly define the circumstances under which the Lieutenant-Governor-in-Council will consider referring a matter from the commission to a "provincial interest" inquiry,
- expand the requirements that must be followed throughout the inquiry process to ensure open, accountable and fair decision making,
- ensure that the public has timely access to accurate and relevant information so that people can participate in an inquiry in a meaningful way, and
- establish the values that must be applied by the Lieutenant-Governor-in-Council when deciding on a matter, with agricultural values having the highest priority.

Other Changes

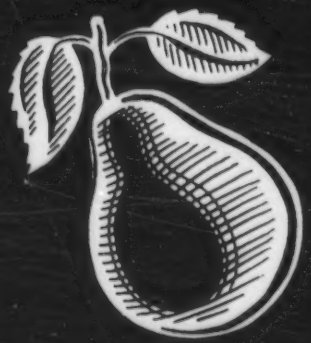
- Changes were made this year to the "Classification of Land as a Farm" regulation. The standards now include willow (*salix*) as an eligible crop that qualifies for farm class. Some of the regulation wording was also clarified.
- To ensure appropriate analysis and coordination with the agriculture sector, the division has participated in implementing the *Fish Protection Act*, the accords behind the Trans Canada Trail, B.C.'s Climate Change Strategy in dealing with Canada's commitment under the international Kyoto Protocol, and the Agriculture-Wildlife Advisory Committee.
- Consultations with the ranching sector have resulted in a provincial strategy for dealing with forest encroachment, streamlining the range provisions of the Forest Practices Code, and potential changes to the *Range Act*. All environmental assessment projects were coordinated through Policy and Legislation Services.

- During 1999/00, the division participated in all ongoing First Nations treaty negotiations and developed strategic policies for protecting agricultural resources. The division also provided guidance to provincial negotiations by developing information packages and analyzing the impacts of these negotiations on existing and future agricultural development.
- In 1999/00, the division continued its development work, cross-ministry discussions, and planning efforts for an aboriginal agri-food policy framework. This was an objective stated in the ministry's *1999/00 Strategic and Business Plan*.

FAST FACTS

MINISTRY REVENUE ($MILLIONS)	1999/00	1998/99
	$6.6	$3.5

MINISTRY EXPENDITURES ($MILLIONS)	1999/00	1998/99
	$56.5	$60.9



ADMINISTRATIVE REVIEW

CORPORATE SERVICES

The Corporate Services Branch is responsible for the Ministry of Agriculture, Food and Fisheries' administrative and finance functions. These include accounting, financial planning and reporting, budget control, human resources, information technology, freedom of information and privacy, facilities management, asset control, risk management, business continuation planning, employment equity, and records management.

In ensuring the efficient and effective operation of the ministry, as well as compliance to government policies and procedures, the branch's accomplishments during 1999/00 included:

- adhering to Treasury Board and central government budget control and management directives, including meeting the ministry's budget target,
- completing a thorough examination and risk assessment of all ministry computer hardware and software systems and extensive remedial work to ensure Y2K compliance,
- developing and successfully testing the ministry's Business Continuation Plan, which includes an action plan to recover business functions following any major disruptions to ministry operations (e.g., fire or earthquake),
- implementing a new government-wide chart of accounts structure to create a consistent, single set of books across all ministries, and
- putting into practice the government's new policy to separate approval and reporting of day-to-day operating expenses from purchases of long-term assets by capitalizing tangible assets. Funding for tangible assets is now authorized under individual ministry capital budgets.

REVENUE 1999/00

	Actual to March 31, 2000 ($)
Sales and Service Fees	
Sale of publications	$4,030
Subtotal	**$4,030**
Investment Income	
ALDA (Agricultural Land Development Account) – interest on loans	$466,588
ALDA – grant recovery concessionary loans	856,834
Gain/Loss on conversion of foreign exchange[1]	–
Interest on overdue accounts (*Financial Administration Act*, section 17)	1,132
Subtotal	**$1,324,554**
Miscellaneous Revenue	
Corporate Services	$21,000
Agricultural Land Commission[2]	720
Recovery – prior-year expenditures	41,208
Miscellaneous receipts	89,582
British Columbia Marketing Board appeal fees	2,700
Subtotal	**$155,210**
Fees and Licences	
Forest Land Commission – fees	$12,450
– recapture charges	276,148
Livestock fees and licences	44,963
Agricultural Land Commission[2] application fees	159,321
Veterinary laboratory fees and licences	163,619
Miscellaneous agriculture fees and licences	38,556
Livestock Protection Act – dog licences	9,277
Subtotal	**$704,334**
Federal Government	
Contributions from the Federal Government	$3,200,000
Crop Insurance – administration cost recovery	1,212,008
National Farm Business Management	–
Subtotal	**$4,412,008**
TOTAL MINISTRY REVENUE 1999/00	**$6,600,136**

[1] Gain/loss on conversion of foreign exchange is now reported centrally by the Ministry of Finance and Corporate Relations.

[2] The Agricultural Land Commission became the Land Reserve Commission on April 1, 2000.

EXPENDITURES 1999/00

	Actual to March 31, 2000 (Decentralized Rent) ($)
VOTE 14 – MINISTRY OPERATIONS	
Subvote – Minister's Office	
Minister's Office	$418,625
Minister's Field Office	7,236
Total Minister's Office	**$425,861**
Subvote – Corporate Services	
Deputy Minister	
Deputy Minister's Office	$77,711
Deputy Minister – special projects	158,921
– administration	287,000
Communications	906,859
Subtotal	**$1,430,491**
Policy and Legislation	
Policy and Statistics	$675,640
Legislation	370,275
Trade Competition	484,514
Resource Planning	390,854
Subtotal	**$1,921,283**
Corporate Services	
Director, Corporate Services	$289,383
Corporate Services – special projects	42,369
– administration	817,751
Financial Planning and Analysis	248,828
Service Contract – Ministry of Transportation and Highways	960,232
– Ministry of Small Business, Tourism and Culture	2,493,756
Columbia Basin Trust[1]	2,000,000
Subtotal	**$6,852,319**
Total Corporate Services	**$10,204,093**
Subvote – Agriculture and Risk Management	
Agriculture and Food	
Food Industry	
Food Industry	$1,619,265
Buy BC	1,393,616
Quality Wine and Grape Development Program	200,000
Subtotal	**$3,212,881**

EXPENDITURES 1999/00

CONTINUED

	($)
Agriculture	
Assistant Deputy Minister, Agriculture	$236,375
Agriculture – special projects	349,981
– Executive Officer	502,314
– administration	225,000
South Coastal Region	2,116,271
North Central Region	1,648,509
Southern Interior Region	2,097,674
Resource Management	1,381,303
Crop Protection Program	1,074,844
Plant Diagnostic Laboratory	243,075
Plant Industry Commodity Teams	1,414,855
Animal Health Centre	1,848,363
Health Management and Regulatory	685,441
Animal Industry Commodity Teams	980,148
Industry Organization Development	678,855
Industry Innovations	1,161,102
Grazing Enhancement Fund (transfer to Special Account)	1,850,000
Ministry amortization expense	1,683,041
Subtotal	**$20,177,151**
Total Agriculture and Food	**$23,390,032**
Agriculture Programs	
Crop Insurance – administration	$2,503,786
– recoveries	(1,212,008)
– premiums	5,250,000
Net Income Stabilization Account (NISA)	2,999,868
Whole Farm Insurance	6,800,000
Total Agriculture Programs	**$16,341,646**
TOTAL VOTE 14 – MINISTRY OPERATIONS	**$50,361,632**
VOTE 15 – PROVINCIAL AGRICULTURAL LAND COMMISSION[2]	**$2,654,074**
VOTE 16 – BRITISH COLUMBIA MARKETING BOARD	**$877,637**
VOTE 17 – OKANAGAN VALLEY TREE FRUIT AUTHORITY	**$2,000,000**
TOTAL VOTED	**$55,893,343**

EXPENDITURES 1999/00

CONTINUED

	($)
SPECIAL ACCOUNTS	
Livestock Protection	$23,772
Grazing Enhancement Fund	2,463,211
Transfer from the vote	(1,850,000)
TOTAL MINISTRY VOTED AND SPECIAL ACCOUNT EXPENDITURES	**$56,530,326**
ADDITIONAL AUTHORIZATIONS	
Statutory Account	
Cattle (Horned) Act, Livestock Improvement	$23,270
TOTAL MINISTRY EXPENDITURES 1999/00	**$56,553,596**
Access to Contingency Vote	
Crop Insurance – spot-loss hail insurance	$1,930,000
Forest Land Reserve	400,000
Loan Guarantee portion of Okanagan Valley Tree Fruit Strategy	32,500
Transitional Production Assistance Program	4,800,000
Okanagan Valley Tree Fruit Industry Response – Trust	1,999,995
Ministry amortization expense	336,000
TOTAL CONTINGENCY EXPENDITURES	**$9,498,495**
MINISTRY CAPITAL BUDGET	**$1,960,898**

[1] Under authority of the Columbia Basin Trust, the government will provide an annual $2 million operating grant until 2010.

[2] The Agricultural Land Commission became the Land Reserve Commission on April 1, 2000.

FAST FACTS

B.C. AGRICULTURE	1998	1999
Farms	21,835	21,835
Farm cash receipts ($billions)	$1.8	$1.9
Direct employment	33,700*	28,600

*Revised

B.C. RETAIL GROCERY	1998	1999
Food stores	3,456	3,431
Food Sales ($billions)	$8.8	*
Employment	56,000**	57,300

*Statistics Canada information unavailable until fall 2000
**Revised

SUPPORTING INFORMATION

AGRICULTURE AND FOOD ORGANIZATION CHART: MARCH 31, 2000

*The Agricultural Land Commission became the Land Reserve Commission on April 1, 2000.

RELATED BOARDS AND COMMISSIONS

Agricultural Land Commission*

British Columbia Blueberry Industry Development Council

British Columbia Broiler Hatching Egg Commission

British Columbia Cattle Industry Development Council

British Columbia Chicken Marketing Board

British Columbia Cranberry Marketing Board

British Columbia Egg Marketing Board

British Columbia Grape Marketing Board

British Columbia Hog Marketing Commission

British Columbia Marketing Board

British Columbia Milk Marketing Board

British Columbia Mushroom Marketing Board

British Columbia Peace River Grain Industry Development Council

British Columbia Raspberry Industry Development Council

British Columbia Tree Fruit Marketing Board

British Columbia Turkey Marketing Board

British Columbia Vegetable Marketing Commission

British Columbia Wine Institute

British Columbia Woodlot Products Development Council

Dairy Products Promotional Fund Committee

Farm Practices Board

Okanagan Valley Tree Fruit Authority

*The Agricultural Land Commission became the Land Reserve Commission on April 1, 2000.

LEGISLATION ADMINISTERED BY AGRICULTURE AND FOOD

Ministry of Agriculture and Food Act
Agricultural Credit Act
Agricultural Land Commission Act
Agricultural Produce Grading Act
Agrologists Act
Animal Disease Control Act*
Bee Act
British Columbia Wine Act
Cattle (Horned) Act
Farm Income Insurance Act
Farmers and Womens Institutes Act
Farming and Fishing Industries Development Act*
Farm Practices Protection (Right to Farm) Act*
Food Choice and Disclosure Act
Food Products Standards Act
Fur Farm Act
Game Farm Act
Grazing Enhancement Special Account Act
Insurance for Crops Act
Livestock Act
Livestock Identification Act
Livestock Lien Act
Livestock Protection Act
Livestock Public Sale Act
Milk Industry Act**
Municipal Act (sections 916 to 919 only)
Natural Products Marketing (B.C.) Act
Okanagan Valley Tree Fruit Authority Act
Pharmacists, Pharmacy Operations and Drug Scheduling Act (sections 65 to 71 only)
Plant Protection Act
Prevention of Cruelty to Animals Act
Seed Grower Act
Seed Potato Act
Soil Conservation Act
Veterinarians Act
Veterinary Laboratory Act
Weed Control Act

*In practice, some of the responsibility for these statutes is shared with BC Fisheries.

**In practice, some of the responsibility for these statutes is shared with the Ministry of Health.

AGRICULTURE AND FOOD OFFICES

Current to July 2000

Minister's Office

Room 346, Legislative Buildings
Victoria, B.C. V8V 1X4
Phone (250) 387-1023/Fax 387-1522

Victoria headquarters address

808 Douglas Street, V8W 2Z7
Phone (250) 387-5121/Fax 356-1678

Victoria headquarters mailing address

P.O. Box 9120, Stn. Prov. Gov't., V8W 9E2

Abbotsford Agricultural Centre

1767 Angus Campbell Road, V3G 2M3
Toll-free 1-888-221-7141

Regional

Phone (604) 556-3075/Fax 556-3030

Resource Management

Phone (604) 556-3100/Fax 556-3099

Animal Health

Phone (604) 556-3003/Fax 556-3010

Courtenay

331B 6th Street, V9N 1M2
Phone (250) 334-1239/Fax 334-1472

Cranbrook

42 8th Avenue South, V1C 2K3
Phone (250) 426-1535/Fax 426-1546

Creston

218 Northwest Boulevard
Box 1980, V0B 1G0
Phone (250) 428-3255/Fax 428-3271

Dawson Creek

1201 103rd Avenue, V1G 4J2
Toll-free 1-888-398-3322
Phone (250) 784-2225/Fax 784-2299

Duncan (Access Centre)

5785 Duncan Street, V9L 5G2
Phone (250) 746-1210/Fax 746-1292

Fort St. John

350 - 10003 110th Avenue, V1J 6M7
Toll-free 1-888-822-1345
Phone (250) 787-3240/Fax 787-3299

Kamloops

162 Oriole Road, V2C 4N7
Toll-free 1-888-823-3355
Phone (250) 371-6050/Fax 828-4631

Kelowna

1690 Powick Road, V1X 7G5
Crop Insurance (toll-free) 1-888-332-3352
Phone (250) 861-7211/Fax 861-7490

Oliver

9971 350th Avenue
Courthouse Building, V0H 1T0
Toll-free 1-888-812-8811
Phone (250) 498-5250/Fax 498-4952

Prince George

Experimental Farm Site
2288 Old Cariboo Highway, V2N 6G3
Toll-free 1-800-334-3011
Phone (250) 963-2501/Fax 963-2520

Sidney

Bldg. 20, 8801 East Saanich Road, V8L 1H3
Phone (250) 655-5649/Fax 655-5657

Mailing address

P.O. Box 9099, Stn. Prov. Gov't.
Victoria, B.C. V8W 9A9

Smithers (Access Centre)

1020 Murray Street
Bag 5000, V0J 2N0
Phone (250) 847-7246/Fax 847-7592

Vancouver - Food Industry
Canada - B.C. Agri-Food Marketing Centre

2000 - 300 West Georgia Street, V6B 6E1
Phone (604) 666-5259/Fax 666-3977

Vernon

4607 23rd Street, V1T 4K7
Phone (250) 260-3000/Fax 549-5488

Williams Lake

640 Borland Street, V2G 1R8
Toll-free 1-800-474-6133
Phone (250) 398-4500/Fax 398-4688

OTHER ADDRESSES

Land Reserve Commission

(formerly: Agricultural Land Commission)
133 - 4940 Canada Way
Burnaby, B.C. V5G 4K6
Phone (604) 660-7000/Fax 660-7033

British Columbia Marketing Board

3rd Floor, 1007 Fort Street
P.O. Box 9129, Stn. Prov. Gov't.
Victoria, B.C. V8W 9B5
Phone (250) 356-8945/Fax 356-5131

Okanagan Valley Tree Fruit Authority

4200 Highway 97
P.O. Box 6000
Summerland, B.C. V0H 1Z0
Phone: (604) 494-5021/Fax 494-5024

MAP | OF REGIONS AND OFFICES